

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 /118 W
-----009107 170115Z /63

R 161313Z MAR 78

FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC 8504

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E.O. 11652: N/A

TAGS: ENRG, KINV, LI

SUBJECT: LIBERIA REFINING COMPANY (LRC)

REF: STATE 66873, MONROVIA 1789

1. FINANCE MINISTER PHILLIPS PHONED AMBASSADOR TUESDAY EVENING, 14 MARCH, TO SAY HE HAD JUST RECEIVED A PHONE CALL FROM DEPUTY FINANCE MINISTER PADMORE FROM LONDON REPORTING ON THE LRC SITUATION.

2. PHILLIPS SEEMED TO FEEL THAT THERE HAD NOT BEEN MUCH PROGRESS ON THE PART OF THE U.S. FIRMS AND SAID "THEY STILL WANT US TO ABSORB ABOUT \$700,000." PHILLIPS REPEATED STORY THAT A SALE PRICE OF \$9 MILLION HAD BEEN AGREED UPON BY ALL PARTIES AND THAT AS A CONSEQUENCE OF SUN'S ACCOUNTING ERROR \$1.8 MILLION IN ADDITIONAL CLAIMS HAD BEEN DISCOVERED. IT IS PHILLIPS' POSITION THAT THE AMERICAN FIRMS MUST ASSUME RESPONSIBILITY FOR THIS SUM AS THE MANAGEMENT OF LRC WAS IN THEIR HANDS AT THE TIME THE CLAIM WAS INCURRED. (FYI, THOUGH PHILLIPS DID NOT ADMIT THAT A CONCESSION HAD BEEN OFFERED, IT WOULD SEEM CLEAR THAT SUN/DYNALECTRON HAD APPARENTLY DECIDED TO DEAL WITH THE \$1.8 MILLION FIGURE

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BY ASKING THAT EVERYONE SHARE IN ITS LIQUIDATION AND THAT THE GOL'S SHARE WOULD BE \$700,000.)

3. PHILLIPS ASKED IF USG COULD INTERVENE TO PUT PRESSURE ON THE AMERICAN FIRMS. THE AMBASSADOR SAID IT WOULD BE INAPPROPRIATE FOR THE USG TO BECOME AN ACTIVE PARTICIPANT IN THE NEGOTIATIONS BUT WOULD PROVIDE GOOD OFFICES

AS REQUIRED.

4. PHILLIPS CONFIRMED THAT HE WAS TO DEPART WEDNESDAY A.M., 15 MARCH TO MEET PADMORE BUT HE DID NOT INDICATE THAT HE WOULD BE MEETING REICHARDT AND GILLIS. PERHAPS THIS EMERGED FOLLOWING THE PHILLIPS-CARTER TELECON.

5. COMMENT; EMBASSY IS CERTAINLY HOPEFUL THAT LONDON MEETING WILL CLOSE GAP AND THIS ISSUE CAN BE RESOLVED BUT IT DOES NOT SHARE REICHARDT'S ENTHUSIASM. AMBASSADOR WILL CALL PHILLIPS IN LONDON ON FRIDAY, 17 MARCH FOR UPDATE.
CARTER

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NNN

Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 16 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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